



Governor's Strategic Tax Policy Workgroup

Presentation of the Individual Taxes Subgroup

February 4, 2009



Individual Taxation

Modified RI Income Tax

- Standard Deduction Only / No Itemization
 - Married Filing Jointly / Widow(er): \$15,000
 - Single / Married Filing Separate: \$7,500
 - Head of Household: \$11,250
 - Personal/Dependent Exemption: \$2,500
 - Tax capital gains as ordinary income
 - No alternative flat rate income tax system
 - Implement four taxable income brackets with marginal tax rates as follows:
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Individual Taxation

Modified RI Income Tax

<u>RI Taxable Income</u>	<u>Marginal Tax Rate</u>
\$0 to \$54,999.99	3.50%
\$55,000 to \$109,999.99	4.00%
\$110,000 to \$174,999.99	4.50%
\$175,000 and above	5.50%



Individual Taxation

Modified RI Income Tax

Modified RI Income Tax System

- Allow only four credits:
 - Income Taxes Paid to Other States
 - Property Tax Relief (Circuit Breaker)
 - Lead Paint Abatement
 - Earned Income Tax Credit
 - Equal to 15.0 percent of federal EITC
 - Fully refundable



Individual Taxation Modified RI Income Tax

Alternative Flat Tax Rate of 6.5%, FY 2009 Est.

Resident Filers					
AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	\$ (247,754.32)	\$ (335,103.87)	20,026	\$ (87,349.55)	\$ (4.36)
1 to 12,500	(3,862,879.54)	(10,755,275.15)	98,897	(6,892,395.61)	(69.69)
12,501 to 20,000	4,305,658.58	(2,408,076.05)	55,914	(6,713,734.63)	(120.07)
20,001 to 30,000	19,981,132.87	16,912,655.95	62,673	(3,068,476.92)	(48.96)
30,001 to 40,000	34,106,864.23	34,294,977.07	49,916	188,112.84	3.77
40,001 to 55,000	58,911,746.78	58,747,007.42	54,516	(164,739.36)	(3.02)
55,001 to 75,000	85,848,598.21	85,625,621.49	52,839	(222,976.72)	(4.22)
75,001 to 110,000	139,488,634.79	136,373,812.29	53,657	(3,114,822.51)	(58.05)
110,001 to 175,000	150,795,343.64	136,519,886.75	31,491	(14,275,456.89)	(453.32)
175,001 to 250,000	76,158,546.33	67,014,478.51	8,750	(9,144,067.82)	(1,045.04)
250,001 to 500,000	99,562,112.33	88,388,782.58	5,895	(11,173,329.75)	(1,895.39)
500,001 to 1,000,000	61,700,964.60	59,547,953.19	1,748	(2,153,011.41)	(1,231.70)
1,000,001 to 5,000,000	76,900,150.76	82,985,988.64	832	6,085,837.88	7,314.71
5,000,001 to 10,000,000	16,123,753.03	20,137,490.52	53	4,013,737.49	75,730.90
10,000,001 and up	38,751,648.96	68,068,122.81	36	29,316,473.85	814,346.50
Totals	\$ 858,524,521.28	\$ 841,118,322.17	497,243	\$ (17,406,199.11)	\$ (35.01)
				-2.0%	



Individual Taxation

Modified RI Income Tax

Alternative Flat Tax Rate of 6.5%, FY 2009 Est.

Non-Resident Filers					
AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	\$ 58,785.00	\$ (5,471.69)	977	\$ (64,256.69)	\$ (65.77)
1 to 12,500	265,182.69	(147,133.72)	13,415	(412,316.42)	(30.74)
12,501 to 20,000	897,027.07	451,098.47	7,283	(445,928.60)	(61.23)
20,001 to 30,000	2,290,392.46	1,959,948.02	8,687	(330,444.44)	(38.04)
30,001 to 40,000	3,309,823.04	3,163,331.06	7,304	(146,491.98)	(20.06)
40,001 to 55,000	6,795,550.33	6,348,293.29	9,900	(447,257.04)	(45.18)
55,001 to 75,000	10,113,941.77	9,529,706.55	11,175	(584,235.22)	(52.28)
75,001 to 110,000	19,954,194.78	18,332,818.40	14,554	(1,621,376.37)	(111.40)
110,001 to 175,000	26,745,446.70	22,679,192.91	11,273	(4,066,253.79)	(360.71)
175,001 to 250,000	15,318,212.32	12,402,098.11	4,067	(2,916,114.22)	(717.02)
250,001 to 500,000	20,521,376.24	16,341,340.45	3,900	(4,180,035.79)	(1,071.80)
500,001 to 1,000,000	12,753,160.09	11,284,493.35	1,936	(1,468,666.75)	(758.61)
1,000,001 to 5,000,000	19,280,337.41	19,643,969.99	2,064	363,632.58	176.18
5,000,001 to 10,000,000	3,956,816.87	4,650,852.72	332	694,035.86	2,090.47
10,000,001 and up	10,215,231.95	12,278,345.43	514	2,063,113.48	4,013.84
Totals	\$ 152,475,478.72	\$ 138,912,883.32	97,381	\$ (13,562,595.39)	\$ (139.27)
				-8.9%	



Individual Taxation Modified RI Income Tax

Alternative Flat Tax Rate of 6.5%, FY 2009 Est.

All Filers					
AGI Range	Tax Under Current System	Tax Under New System	Filer Count	Difference	Average Tax Change
0 and Under	\$ (188,969.32)	\$ (340,575.56)	21,003	\$ (151,606.25)	\$ (7.22)
1 to 12,500	(3,597,696.85)	(10,902,408.87)	112,312	(7,304,712.02)	(65.04)
12,501 to 20,000	5,202,685.65	(1,956,977.58)	63,197	(7,159,663.23)	(113.29)
20,001 to 30,000	22,271,525.33	18,872,603.97	71,360	(3,398,921.36)	(47.63)
30,001 to 40,000	37,416,687.28	37,458,308.13	57,220	41,620.86	0.73
40,001 to 55,000	65,707,297.11	65,095,300.70	64,416	(611,996.41)	(9.50)
55,001 to 75,000	95,962,539.98	95,155,328.03	64,014	(807,211.94)	(12.61)
75,001 to 110,000	159,442,829.57	154,706,630.69	68,211	(4,736,198.88)	(69.43)
110,001 to 175,000	177,540,790.34	159,199,079.66	42,764	(18,341,710.68)	(428.91)
175,001 to 250,000	91,476,758.65	79,416,576.62	12,817	(12,060,182.03)	(940.95)
250,001 to 500,000	120,083,488.58	104,730,123.03	9,795	(15,353,365.54)	(1,567.47)
500,001 to 1,000,000	74,454,124.70	70,832,446.54	3,684	(3,621,678.16)	(983.08)
1,000,001 to 5,000,000	96,180,488.17	102,629,958.63	2,896	6,449,470.46	2,227.03
5,000,001 to 10,000,000	20,080,569.90	24,788,343.25	385	4,707,773.35	12,227.98
10,000,001 and up	48,966,880.91	80,346,468.24	550	31,379,587.33	57,053.80
Totals	\$1,011,000,000.00	\$ 980,031,205.49	594,624	\$ (30,968,794.51)	\$ (52.08)
				-3.1%	



Individual Taxation Modified RI Income Tax

Tax Burden by AGI, Flat Tax at 6.5%, FY 2009 Est.

Resident Filers Only											
Federal AGI (Dollars)			Returns with a Tax Decrease			Returns with a Tax Increase			Total Tax Change		
			Number of Returns (Units)	Amount of Tax Decrease (Millions)	Average (\$)	Number of Returns (Units)	Amount of Tax Increase (Millions)	Average (\$)	Number of Returns (Units)	Amount of Tax Change (Millions)	Average (\$)
-infinity	to	0	618	\$ (0.09)	\$ (145.08)	6	\$ 0.00	\$ 384.71	624	\$ (0.09)	\$ (139.98)
1	to	12,500	55,406	(6.97)	(125.76)	1,546	0.08	48.75	56,952	(6.89)	(121.02)
12,501	to	20,000	45,247	(7.42)	(164.05)	5,366	0.71	132.11	50,613	(6.71)	(132.65)
20,001	to	30,000	46,461	(5.44)	(117.15)	13,726	2.37	172.97	60,187	(3.07)	(50.98)
30,001	to	40,000	32,520	(3.96)	(121.90)	14,835	4.15	279.90	47,355	0.19	3.97
40,001	to	55,000	32,135	(8.12)	(252.68)	19,786	7.96	402.06	51,921	(0.16)	(3.17)
55,001	to	75,000	29,560	(12.11)	(409.57)	21,788	11.88	545.44	51,348	(0.22)	(4.34)
75,001	to	110,000	31,817	(21.20)	(666.38)	20,964	18.09	862.79	52,781	(3.11)	(59.01)
110,001	to	175,000	23,158	(28.49)	(1,230.43)	7,920	14.22	1,795.32	31,078	(14.28)	(459.34)
175,001	to	250,000	6,774	(16.21)	(2,393.68)	1,902	7.07	3,717.53	8,676	(9.14)	(1,053.95)
250,001	to	500,000	4,487	(21.87)	(4,873.93)	1,373	10.70	7,790.25	5,860	(11.17)	(1,906.71)
500,001	to	1,000,000	1,204	(10.73)	(8,915.05)	541	8.58	15,860.82	1,745	(2.15)	(1,233.82)
1,000,001	to	5,000,000	459	(9.68)	(21,091.03)	370	15.77	42,612.48	829	6.09	7,341.18
5,000,001	to	10,000,000	23	(1.58)	(68,578.76)	29	5.59	192,794.79	52	4.01	77,187.26
10,000,001	to	infinity	9	(2.48)	(275,929.27)	27	31.80	1,177,771.75	36	29.32	814,346.50
Totals			309,878	\$ (156.37)	\$ (504.62)	110,179	\$ 138.96	\$ 1,261.25	420,057	\$ (17.41)	\$ (41.44)



Individual Taxation

Modified RI Income Tax

Taxpayer Profiles, Tax Year 2007

Taxpayer	AGI	Filing Status	Dependents	Current Law Standard Deduction	Current Law Itemized Deductions	Income Sources	Current Law Entitlement Credit Eligibility
Minimum Wage Worker	\$ 15,392	HoH	2	Yes	No	W	EITC, PTR
Retired Working Class	\$ 24,020	MFJ	0	Yes	No	P, SS, TI, D, SCG	PTR
Dual Minimum Wage Workers	\$ 30,784	MFJ	3	Yes	No	W	EITC, CCE
Single Professional	\$ 45,415	S	0	Yes	No	W, TI, D, SCG	None
Working Class	\$ 75,500	MFJ	2	No	\$ 12,899	W, TI, D, SCG	CCE
Retired Professionals	\$ 93,200	MFJ	0	No	\$ 10,050	P, SS, TI, D, SCG, LCG	CCE
Professionals	\$ 152,450	MFJ	2	No	\$ 26,836	W, TI, D, SCG, LCG	None
Investment Income Only	\$ 171,475	MFJ	0	No	\$ 22,670	TI, TEI, D, SCG, LCG	None
Executive	\$ 190,500	MFJ	4	No	\$ 34,973	W, TI, D, SCG, LCG	None
Small Business Owner	\$ 353,000	MFJ	4	No	\$ 56,387	W, K1, TI, D, SCG, LCG	None
Senior Executive	\$ 1,173,000	MFJ	3	No	\$ 187,370	W, TI, D, SCG, LCG	None

Key: HoH, Head of Household; MFJ, Married Filing Jointly; S: Single.

W, Wages; P, Pensions; SS, Social Security; TI, Taxable Interest; D, Dividends;

SCG, Short-term Capital Gains; LCG, Long-term Capital Gains; TEI, Tax Exempt Interest; K1, Business Distribution;

EITC, Earned Income Tax Credit; PTR, Property Tax Relief; CCE, Child Care Expenses



Individual Taxation

Modified RI Income Tax

Taxpayer Burden Comparison, Tax Year 2007

Taxpayer Profile	AGI	Filing Status	Exemptions	Modified RI		Massachusetts		Connecticut	
				Tax	% of AGI	Tax	% of AGI	Tax	% of AGI
Minimum Wage Worker	\$ 15,392	HoH	3	\$ (1,007)	-6.54%	\$ (707)	-4.59%	\$ -	0.00%
Retired Working Class	24,020	MFJ	2	(300)	-1.25%	(900)	-3.75%	(500)	-2.08%
Dual Minimum Wage Workers	30,784	MFJ	5	(106)	-0.35%	244	0.79%	71	0.23%
Single Professional	45,415	S	1	1,240	2.73%	2,082	4.58%	1,764	3.88%
Working Class	75,500	MFJ	4	1,768	2.34%	2,738	3.63%	3,036	4.02%
Retired Professionals	93,200	MFJ	2	2,509	2.69%	771	0.83%	3,023	3.24%
Professionals	152,450	MFJ	4	4,910	3.22%	6,815	4.47%	7,223	4.74%
Investment Income Only	171,475	MFJ	2	5,541	3.23%	11,900	6.94%	8,174	4.77%
Executive	190,500	MFJ	6	6,398	3.36%	8,960	4.70%	9,125	4.79%
Small Business Owner	353,000	MFJ	6	15,190	4.30%	18,248	5.17%	17,260	4.89%
Senior Executive	1,173,000	MFJ	5	60,428	5.15%	62,525	5.33%	58,250	4.97%



Individual Taxation

Modified RI Income Tax

Taxpayer Burden Comparison, Tax Year 2007

Rank Key: 1 is lowest tax burden 8 is highest tax burden	Modified RI Income Tax	MA	CT	NC	NJ	VA	DE	NH
Taxpayer Profile	Rank	Rank	Rank	Rank	Rank	Rank	Rank	Rank
Minimum Wage Worker	1	3	4	5	2	4	4	4
Retired Working Class	3	1	2	6	5	6	6	4
Dual Minimum Wage Workers	1	7	5	6	2	8	4	3
Single Professional	3	6	5	8	2	7	4	1
Married Working Class	3	6	8	7	2	5	4	1
Married Retired Professionals	5	3	7	8	2	6	4	1
Married Professionals	2	6	7	8	3	5	4	1
Married Investment Income Only	2	8	5	7	4	6	3	1
Married Executive	2	6	7	8	3	5	4	1
Married Small Business Owner	1	7	3	8	6	5	2	4
Married Senior Executive	4	6	3	7	8	5	2	1



Individual Taxation

Modified RI Sales Tax

- ❑ Decrease sales tax rate to 5.0 percent
- ❑ Broaden the sales tax base to include consumer purchases such as:
 - Nonprescription drugs; newspapers; classified ads; money orders; moving and storage; rug and furniture cleaning; photo studios; and dry cleaning
 - Electrical, furniture, motor vehicle, laundry and garment, and radio and TV repairs
 - Admissions to theaters, concerts, opera, spectator sports, and movies; dues for club and fraternal organizations and sport and recreational camps



Individual Taxation

Modified RI Sales Tax

- Sightseeing; bowling; billiards; private flying; miniature golf; paintball; and commercial and participant amusements
- Household operation services; other motor vehicle services; pets and pet services; veterinary services; barber shops; beauty shops; miscellaneous personal services; employment agency fees; and tax return preparation services
- Broaden the sales tax base to include business purchases such as:



Individual Taxation

Modified RI Sales Tax

- Non-residential and residential maintenance and repairs
- Truck, transit and ground passenger transportation; scenic and sightseeing transportation; and couriers and messengers
- Warehousing and storage; waste management and remediation; travel arrangement and reservations; and car washes
- Data processing, hosting and related services; facilities and business support services; services to buildings and dwellings; and employment services



Individual Taxation

Modified RI Sales Tax

Sales Tax Rate of 5% with Broader Base, FY 2009

□	Net Sales Tax Revenue Impact (in millions \$)	
■	Business Investment Purchases:	\$(20.07)
■	Business Intermediate Purchases:	\$ 82.59
■	Consumer Purchases:	\$(58.20)
□	Durable Goods:	\$(57.99)
□	Non-Durable Goods:	\$(62.60)
□	Services:	\$ 62.39
■	Grand Total:	\$ 4.32



Individual Taxation Modified RI Sales Tax

Tax Burden by AGI, FY 2009 Est.

Resident Consumers										
Federal AGI (Dollars)	Returns with a Tax Decrease			Returns with a Tax Increase			Total Tax Change			
	Number of Returns (Units)	Amount of Tax Decrease (Millions)	Average (\$)	Number of Returns (Units)	Amount of Tax Increase (Millions)	Average (\$)	Number of Returns (Units)	Amount of Tax Change (Millions)	Average (\$)	
-infinity to 0	1,070	\$ (0.05)	\$ (46.75)	152	\$ 0.02	\$ 105.64	1,221	\$ (0.03)	\$ (27.82)	
1 to 12,500	36,819	(2.31)	(62.66)	11,055	1.08	97.78	47,874	(1.23)	(25.62)	
12,501 to 20,000	22,777	(2.45)	(107.45)	9,871	1.28	129.41	32,648	(1.17)	(35.83)	
20,001 to 30,000	28,155	(12.96)	(460.49)	10,811	2.36	217.93	38,966	(10.61)	(272.26)	
30,001 to 40,000	25,672	(4.59)	(179.03)	7,986	1.22	153.21	33,659	(3.37)	(100.20)	
40,001 to 55,000	33,418	(8.16)	(244.31)	9,919	1.85	186.52	43,337	(6.32)	(145.70)	
55,001 to 75,000	31,784	(7.72)	(242.77)	9,832	2.02	205.60	41,617	(5.69)	(136.84)	
75,001 to 110,000	39,923	(12.20)	(305.54)	12,288	3.15	256.55	52,211	(9.05)	(173.26)	
110,001 to 175,000	29,884	(9.52)	(318.47)	9,100	2.40	263.44	38,984	(7.12)	(182.63)	
175,001 to 250,000	9,595	(2.56)	(266.49)	3,243	0.77	235.85	12,839	(1.79)	(139.58)	
250,001 to 500,000	5,710	(5.03)	(880.50)	2,204	1.91	869.62	7,915	(3.11)	(393.05)	
500,001 to 1,000,000	1,966	(3.13)	(1,592.95)	603	0.66	1,099.70	2,569	(2.47)	(961.21)	
1,000,001 to 5,000,000	1,351	(1.81)	(1,338.11)	405	0.36	906.05	1,756	(1.44)	(820.85)	
5,000,001 to 10,000,000	170	(0.88)	(5,206.92)	57	0.15	2,545.39	227	(0.74)	(3,259.82)	
10,000,001 to infinity	264	(0.50)	(1,914.56)	81	0.12	1,485.47	346	(0.39)	(1,116.38)	
Totals	268,558	(73.88)	\$ (275.09)	87,607	\$ 19.35	\$ 3,057.29	356,169	\$ (54.52)	\$ (153.08)	



Individual Taxation

RI Modified Income & Sales Tax

Average Tax Change by AGI, FY 2009 Est.

Resident Filers/Consumers										
Federal AGI (Dollars)		Average Tax Decrease			Average Tax Increase			Average Total Tax Change		
		Income Tax (\$)	Sales Tax (\$)	Both Taxes (\$)	Income Tax (\$)	Sales Tax (\$)	Both Taxes (\$)	Income Tax (\$)	Sales Tax (\$)	Both Taxes (\$)
-infinity	to 0	\$ (145.08)	\$ (46.75)	\$ (191.83)	\$ 384.71	\$ 105.64	\$ 490.35	\$ (139.98)	\$ (27.82)	\$ (167.80)
1	to 12,500	(125.76)	(62.66)	(188.42)	48.75	97.78	146.53	(121.02)	(25.62)	(146.64)
12,501	to 20,000	(164.05)	(107.45)	(271.49)	132.11	129.41	261.52	(132.65)	(35.83)	(168.47)
20,001	to 30,000	(117.15)	(460.49)	(577.64)	172.97	217.93	390.90	(50.98)	(272.26)	(323.24)
30,001	to 40,000	(121.90)	(179.03)	(300.93)	279.90	153.21	433.11	3.97	(100.20)	(96.23)
40,001	to 55,000	(252.68)	(244.31)	(496.99)	402.06	186.52	588.58	(3.17)	(145.70)	(148.88)
55,001	to 75,000	(409.57)	(242.77)	(652.35)	545.44	205.60	751.04	(4.34)	(136.84)	(141.18)
75,001	to 110,000	(666.38)	(305.54)	(971.93)	862.79	256.55	1,119.33	(59.01)	(173.26)	(232.27)
110,001	to 175,000	(1,230.43)	(318.47)	(1,548.90)	1,795.32	263.44	2,058.76	(459.34)	(182.63)	(641.97)
175,001	to 250,000	(2,393.68)	(266.49)	(2,660.18)	3,717.53	235.85	3,953.39	(1,053.95)	(139.58)	(1,193.53)
250,001	to 500,000	(4,873.93)	(880.50)	(5,754.43)	7,790.25	869.62	8,659.87	(1,906.71)	(393.05)	(2,299.76)
500,001	to 1,000,000	(8,915.05)	(1,592.95)	(10,508.00)	15,860.82	1,099.70	16,960.53	(1,233.82)	(961.21)	(2,195.02)
1,000,001	to 5,000,000	(21,091.03)	(1,338.11)	(22,429.13)	42,612.48	906.05	43,518.53	7,341.18	(820.85)	6,520.33
5,000,001	to 10,000,000	(68,578.76)	(5,206.92)	(73,785.68)	192,794.79	2,545.39	195,340.18	77,187.26	(3,259.82)	73,927.44
10,000,001	to infinity	(275,929.27)	(1,914.56)	(277,843.82)	1,177,771.75	1,485.47	1,179,257.22	814,346.50	(1,116.38)	813,230.12
Totals		\$ (504.62)	\$ (275.09)	\$ (779.71)	\$ 1,261.25	\$ 3,057.29	\$ 4,318.54	\$ (41.44)	\$ (153.08)	\$ (194.52)



Individual Taxation

Modified RI Estate Tax

TY 2008 Data

- ❑ Rhode Island's estate tax exemption of \$675,000 is one of the lowest in the country
 - ❑ A \$1.0 million exemption would decrease estate tax revenue by 10.6 percent and reduce the number of resident returns filed by 44.8 percent
 - ❑ A \$3.0 million exemption would decrease estate tax revenue by 42.1 percent and reduce the number of resident returns filed by 92.0 percent
 - ❑ A \$3.5 million exemption would decrease estate tax revenue by 51.7 percent and reduce the number of resident returns filed by 94.5 percent
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Individual Taxation

Modified RI Estate Tax

TY 2008 Estate Tax Returns Filed Gross Taxable Estate Value	Total Resident and Non- Resident Returns	% of Total Resident and Non- Resident	Resident Returns	% of Total	Non-Resident Returns	% of Total
< \$1,000,000	164	41.8%	146	44.8%	18	27.3%
> \$999,999 but < \$2,000,000	159	40.6%	133	40.8%	26	39.4%
> \$1,999,999 but < \$3,000,000	30	7.7%	21	6.4%	9	13.6%
> \$2,999,999 but < \$4,000,000	16	4.1%	12	3.7%	4	6.1%
> \$3,999,999 but < \$5,000,000	5	1.3%	5	1.5%	0	0.0%
> \$4,999,999 but < \$10,000,0000	10	2.6%	5	1.5%	5	7.6%
> \$9,999,999	8	2.0%	4	1.2%	4	6.1%
Total	392	100.0%	326	83.2%	66	16.8%
≤ \$3,500,000	363	92.6%	308	94.5%	55	83.3%
TY 2008 Estate Taxes Paid Gross Taxable Estate Value	Total Resident and Non- Resident Rhode Island Estate Taxes Paid	% of Total Resident and Non- Resident	Resident Rhode Island Estate Taxes Paid	% of Total Resident and Non- Resident	Non-Resident Rhode Island Estate Taxes Paid	% of Total Resident and Non- Resident
< \$1,000,000	\$ 3,436,455	10.6%	\$ 3,237,130	11.1%	\$ 199,325	6.1%
> \$999,999 but < \$2,000,000	8,326,939	25.8%	7,645,185	26.3%	681,754	21.0%
> \$1,999,999 but < \$3,000,000	3,266,305	10.1%	2,730,953	9.4%	535,352	16.5%
> \$2,999,999 but < \$4,000,000	2,960,838	9.2%	2,622,954	9.0%	337,884	10.4%
> \$3,999,999 but < \$5,000,000	1,630,868	5.0%	1,630,868	5.6%	-	0.0%
> \$4,999,999 but < \$10,000,0000	4,198,648	13.0%	3,152,474	10.8%	1,046,174	32.2%
> \$9,999,999	8,512,623	26.3%	8,067,061	27.7%	445,562	13.7%
Total	\$ 32,332,675.73	100.0%	\$ 29,086,624.48	90.0%	\$ 3,246,051.25	10.0%
≤ \$3,500,000	\$ 16,714,685	51.7%	\$ 15,251,805	52.4%	\$ 1,462,880	45.1%



Individual Taxation Modified RI Estate Tax

Exemption Amount Impacts, FY 2009 Est.

Exemption Amount	Percentage Change in Estate Tax Revenue (TY 2008)	FY 2009 Impact
\$1.0 million	-10.6%	\$ (2,968,000)
\$3.0 million	-46.5%	(13,020,000)
\$3.5 Million	-51.7%	(14,476,000)
Repeal of Estate Tax	-100.0%	(28,000,000)



Individual Taxation FY 2009 Revenue Impact

Scenario One:

■ Modified RI Income Tax System:	\$(30,968,795)
■ Modified RI Sales Tax System:	\$ 4,320,000
■ Estate Tax Exemption to \$1.0 million:	\$(2,968,000)
Net Change:	\$(29,616,795)

Scenario Two:

■ Modified RI Income Tax System:	\$(30,968,795)
■ Current RI Sales Tax System:	\$ 0
■ Estate Tax Exemption to \$3.0 million:	\$(13,020,000)
Net Change:	\$(43,988,795)



Individual Taxation FY 2009 Revenue Impact

Scenario Three:

■ Modified RI Income Tax System:	\$(30,968,795)
■ Current RI Sales Tax System:	\$ 0
■ Estate Tax Exemption to \$3.5 million:	\$(14,476,000)
Net Change:	\$(45,444,795)

Scenario Four:

■ Modified RI Income Tax System:	\$(30,968,795)
■ Modified RI Sales Tax System:	\$ 4,320,000
■ Repeal of the Estate Tax:	\$(28,000,000)
Net Change:	\$(54,648,795)
